

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2013

Docket No. ACR2013

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 4 OF CHAIRMAN'S INFORMATION REQUEST NO. 16

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 16, issued on March 21, 2014. The question is stated verbatim and followed by the response. Responses to other questions were provided on March 26, 2014.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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4. The following questions relate to the Postal Service's network realignment initiative, its response to CHIR No. 12, question 1 related to processing facilities name/reclassification changes made in the FY 2013 Report on Form 10-K,¹ and information currently posted on the Postal Service's website.

(a) The Postal Service's website <http://about.usps.com/news/electronic-press-kits/our-future-network/assets/pdf/fact-sheet-network-op.pdf> shows a graph of the actual and planned number of decreased 'mail processing facilities' from 2006 projected to 2015. What will be the decrease in the number of processing facilities by type of processing facility (based on the new² processing facility classification system) in Phase 2?³

(b) Please describe any new facility classifications as these do not appear to be detailed on this same Postal Service website.⁴

¹. Filed with the Commission on January 31, 2014.

². Response to CHIR No.12, question 1(a).

³. Phase 2 of the network realignment initiative is described on this same website as "an additional 89 consolidations" with a graph that shows mail processing facilities decreasing to 232 by 2015.

⁴. The website contains a fact sheet with the original network initiative processing facility types (that differ from the facilities on the FY 2013 Report on Form 10-K.) See http://about.usps.com/news/electronic-press-kits/our-future-network/processing_facility_types.pdf

RESPONSE:

(a) The breakdown, based on the new classification system, of the facilities projected to remain at the completion of phase 2 of Network Rationalization is presented below.

Numbers may shift between categories as facilities are evaluated following consolidations.

Facility Type	End of Phase 2
Plant (P&DC/F)	152
Network Distribution Center (NDC)	21
International Service Center (ISC)	5
Mail Processing Facility (MPF)	11
Annexes	35
Surface Transfer Center (STC)	7
Remote Encoding Center (REC)	1

(b) The descriptions of the various processing facility types effective FY 2014 are:

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Plants — Plants are large mail processing facilities servicing specific geographic areas. They contain automated and mechanized equipment to perform the sorting and dispatch of mail.

Mail Processing Facilities — MPFs are smaller processing facilities servicing specific geographic areas and contain processing equipment.

Network Distribution Centers — NDCs consolidate the processing of mail to increase operational efficiency, decrease costs and maintain service while expanding the surface transportation reach. Formerly known as Bulk Mail Centers (BMCs)

Annexes — Annexes provide larger facilities with additional capacity for processing and distribution as well as other ancillary activities.

Surface Transfer Centers — STCs distribute, dispatch, consolidate and transfer First-Class Mail, Priority mail and Periodicals within a specialized surface transportation network.

Remote Encoding Centers — RECs process video images of letter mail. The mail remains at the plant. REC employees work from a scanned image of an envelope to provide extracted information to determine a barcode for the envelope.

International Service Centers — ISCs process and distribute inbound and outbound international mail.